

A Pittance for Our Children Union Budget 2017–18

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For the last 15 years, allocation to the child budget has remained stagnant at around 3% of the union budget. This analysis points out why this amount is proving completely inadequate in safeguarding the health, nutrition, education and protection of India's 434 million children.

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The first of February was just another mundane day in the remote tribal settlement of Satgawan. Neha Birhor and her friends were busy with their morning breakfast, *sattu ka laddu* (gram flour cakes), and the Sevika Didi (*anganwadi* worker) was setting about preparing the *khichdi* (rice and pulses) for their lunch at the government-run *anganwadi* for children.

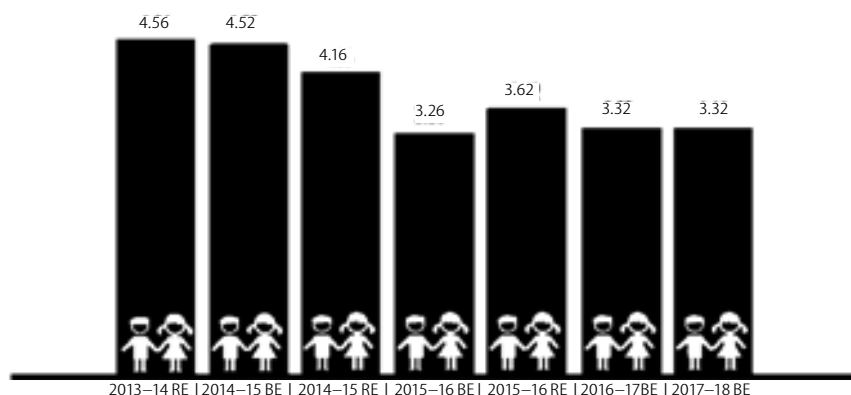
A few hundred kilometres away from this village in Kodarma district of Jharkhand, an upbeat Finance Minister Arun Jaitley was about to enter Parliament to table the budget proposal for 2017–18. By the end of the budget speech it was clear that the honourable finance minister had chosen to be oblivious to the needs of Neha and millions of other children like her.

In our journey towards inclusive and sustainable growth, however, we must strive to include the last child in the remotest village. We need robust investment plans for our 434 million children and the 236 million young people under 30 years of age who will be looking for jobs by 2021.¹ Devoid of appropriate and adequate financial allocations for children and youth, the government's vision and work towards "rapid transformation" is likely to be hampered.

Over the last 15 years, the allocation for children in the total union budget has remained stagnant. In overall terms, the budget has increased from ₹65,758.45 crore in 2016–17 to ₹71,305.35 crore in 2017–18.² Yet, the proportion for children has remained stagnant at 3.32% of the union budget over the last two years, and there has been a declining trend from 2013–14 to 2017–18 (Figure 1, p 26).

A mismatch between the government's intent and its plan for children is evident from allocation trends over the last three years. It is clear that the government has been making minimal allocations for a section that constitutes 34% of the total

Figure 1: Child Budget as Percentage of Total Union Budget



BE = budget estimates or allocated amount stated at the time of union budget; RE = revised estimates, or estimates of amount spent at the end of the previous year (from 2017 onwards, revised estimates would approximately be estimates of expenditure incurred up to December, or early January).

Source: Child Rights and You (CRY) analysis of union budget.

population, even though the plethora of schemes and policies rolled out on paper conjure up a grand vision of change. The state aims to create a near-perfect world for the Indian child, but the reality is starkly different. The finance minister's speech spelt out the agenda to Transform, Energise and Clean (TEC) India through effective governance and efficient service delivery and people's participation. Effective governance and efficient services for children, however, will only be realised if we invest in human capital and allocate sufficient financial resources for this critical segment of the population.

In budget 2015-16, based on the recommendations of the Fourteenth Finance Commission and greater devolution of funds to the states, the centre-state ratio for contribution of funds for education was brought down to 60:40 from 70:30 (90:10 for the north-eastern and Himalayan states). Budget 2017-18 adheres to the norms of increased devolution to the states, and places the onus and accountability for allocating resources for children on the state governments. In the current administrative structure, large welfare schemes continue to be the main vehicles through which services and benefits reach children. With the changes resulting from budgetary devolution and decentralisation, there will be a simultaneous requirement for state governments to redesign and customise welfare schemes at the state level to amplify their reach and make them more inclusive, without compromising on the quality of services.

Let us examine how this budgetary devolution and decentralisation will pan out at the level of the state and local governance. How far will the allocations for child health, nutrition, education, and protection go in bringing about sustainable change for India's child population?

Universalisation of Anganwadis

In 1975, the government implemented the Integrated Child Development Services (ICDS) scheme, an ambitious scheme for children in terms of reach and impact. Over the decades, the ICDS has gone through a series of changes in terms of spread and deepening of services. Today, it caters to 50% of the country's child population below the age of six years. In 2005, the Supreme Court asked the government to universalise anganwadi services. The Twelfth Five Year Plan called for a restructuring of the ICDS scheme in a phased manner, based on the criticality of districts, and an extension of its reach to all districts by 2015. The restructured ICDS package provides for six specific deliverables: supplementary nutrition, including mid-morning snacks and hot cooked meal for children between three to six

years; take-home rations for children below three and expecting mothers; pre-school non-formal education; nutrition and health education; immunisation; and regular health check-ups and referral services for expectant and lactating mothers and infants. This restructuring, along with the plan to move to anganwadis-crèches, laid greater emphasis on childcare. At the policy level, the launch in 2013 of the Early Childhood Care and Education (ECCE) policy for children under six emphasised the importance of investment in the foundational years.

Against these ambitious plans, there are currently 62,970 posts of anganwadi workers that remain vacant³ and many anganwadis lack adequate infrastructural facilities, failing to provide quality preschool education and a safe and secure environment for children. Thus, it is apparent that we are still struggling for a proper rollout of the restructured ICDS mission, while the ECCE policy has barely begun to percolate through the system.

The problem of implementation is compounded by the fact that year-on-year investment in ICDS has not seen any substantial change. In the revised estimates (RE) for the last two years, ICDS budget utilisation decreased from ₹15,483.77 crore in 2015-16 to ₹14,375.6 crore in 2016-17 (Table 1). The allocation of ₹15,245.19 crore in 2017-18 has been referred to as an increase of ₹1,245 crore, when it is in fact less than the amount spent on ICDS in 2015-16. The total allocation for the ICDS scheme has been ₹78,203 crore, against the ₹1,23,580 crore proposed during the Twelfth Five Year Plan (a shortfall of ₹45,377 crore).

Thus, the stated increase of ₹1,245 crore for ICDS, catering to the care, nutrition and education of 13.6 crore children under the age of six years, is not as unanimous as it seems. The allocation is

Table 1: Allocation for Integrated Child Development Services Schemes (2015-16 to 2017-18) (₹ crore)

Scheme	Ministry	2015-16 RE	2016-17 RE	2017-18 BE	Increase/Decrease
Integrated Child Development Services Scheme (ICDS)					
— anganwadi services	MWCD	15,483.77	14,375.6	15,245.19	869.59 (+)
National Nutrition Mission	MWCD	65	39.25	1,100	1,060.75 (+)
World Bank-assisted ICDS systems strengthening and nutrition improvement programme	MWCD	35.42	135.75	400	264.25 (+)
Rajiv Gandhi National Crèche Scheme for the children of working mothers	MWCD	144	150	200	50 (+)

BE = budget estimates; RE = revised estimates; MWCD = Ministry of Women and Child Development.

Source: Centre for Budget and Governance Accountability (CBGA), Delhi.

clearly insufficient to ensure universal coverage, let alone implementation of the proposed anganwadi-cum-crèches. The finance minister also referred to an allocation of ₹500 crore for setting up Mahila Shakti Kendras as part of anganwadi centres for women's empowerment through skill development, employment, digital literacy, health and nutrition. However, budget documents indicate that the allocation for this would be from the already restricted budget, not an additional budget.

The additional budgetary investments by different states do not present a very encouraging picture either. Table 2 shows that after the implementation of the Fourteenth Finance Commission recommendations, not all states have prioritised investment in ICDS. Some relatively economically powerful states like Maharashtra and Tamil Nadu have in fact reduced or kept ICDS allocations stagnant.

While the Twelfth Plan document spoke of the National Nutrition Mission to tackle malnutrition in the country, not much headway is evident. The 2017–18

Union Budget has allocated ₹1,100 crore towards this, which makes us hopeful that the mission may finally kick off this year. A revised version of the National Nutrition Mission was proposed in 2016, and was recommended by the Expenditure Finance Committee. After the review by NITI Aayog, the proposal is under consideration by the government.⁴ However, the details of the revised mission are still not available in the public domain, making it difficult to predict how far the mission has come in terms of reach and quality of nutrition standards.

Child Education

Education takes the largest chunk of the budget allocations for children. In the 2017–18 budget, child education comprises 70.51% of the total child budget and by that calculation, about 2.34% of the GDP.

Centre for Budget and Governance Accountability (CBGA) and Child Rights and You (CRY) recently released an analysis of the school education budgets of all states over the last four years—2012–13 actual expenditure (AE) to 2015–16 budget estimates (BE). The analysis shows that of the 2.68% of GDP for school education in 2015–16, elementary education accounted for 1.55% and secondary education only 0.9% of GDP. The study also shows that the poorer and educationally underperforming states have accorded higher priority to school education than the better performing states in the post-The Right of Children to Free and Compulsory Education (RTE) Act phase. Also, even in the poorer states, it is secondary education that has received more attention in

incremental spending over these years. Components such as teacher training and investment in inspection and monitoring constitute a minuscule part of the school budget in all the states. The study also revealed that the mid-day meal (MDM) programme, an important component of the school education budget, has remained stagnant for most states barring Karnataka, where the share of MDM in the school education budget increased from 8.2% in 2012–13 to 9.5% in 2015–16 (BE).

In Union Budget 2017–18, the major school education schemes—Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and MDM—have seen a token increase (Table 3). The SSA scheme (focusing on children in the 6–14 age group) got a massive fillip in priority and allocation after the passage of the RTE Act 2009. Despite the initial increase in budget, implementation of RTE still faces challenges with respect to infrastructure and other quality parameters. The approved outlay for SSA during the Twelfth Plan period (2012–17) as indicated by the Planning Commission is ₹1,92,726 crore, while the total achievement for the whole plan period amounts to ₹1,17,287 crore (a deficit of ₹74,439 crore, or 38.6%). The plan to universalise education by focusing on secondary education in policy debates was introduced by the Central Advisory Board of Education (CABE) committee report in 2005. The RMSA was launched in 2009 with the objectives of achieving 75% enrolment at the secondary level by 2015, universal access by 2017, and universal retention by 2020. While

Table 2: Additional Allocation to ICDS by States Following Change in Centre–state Ratios (₹ crore)

State	2014–15 AE	2015–16 BE	2015–16 RE	2016–17 BE
Bihar	1,853	1,760	1,918	2,216
Chhattisgarh	960	1,291	1,174	1,408
Jharkhand	915	1,765	1,354	1,517
Madhya Pradesh	1,974	2,608	2,283	2,653
Maharashtra	2,712	2,916	3,463	1,307
Odisha	1,582	2,074	1,255	2,264
Uttar Pradesh	5,022	5,313	5,280	5,798
Tamil Nadu	1,601	1,668	1,773	1,783

AE = actual expenditure; BE = budget estimates;

RE = revised estimates.

Source: Centre for Budget and Governance Accountability (CBGA), Delhi.

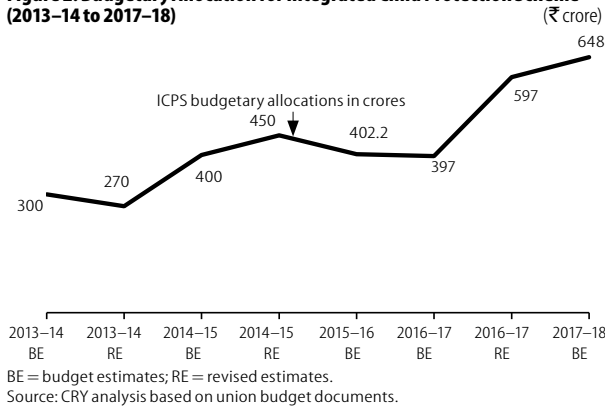
Table 3: Allocation in School Education (2015–16 to 2017–18)

Scheme	Ministry	2015–16 RE	2016–17 RE	2017–18 BE	+/-
National Education Mission–Sarva Shiksha Abhiyan	MHRD	2,205.42	2,2500	23,500	1,000 (+)
National Programme of Mid Day Meals in schools	MHRD	9,236.4	9,700	10,000	300 (+)
Kendriya Vidyalaya Sangathan	MHRD	3,278.47	3,987.25	4,300	312.75 (+)
National Education Mission–Rashtriya Madhyamik Shiksha Abhiyan	MHRD	3,565	3,700	3,830	130 (+)
Navodaya Vidyalaya Samiti	MHRD	2,285.14	2,614.78	2,700	85.22 (+)
National Means-cum-Merit Scholarship Scheme	MHRD	81.5	39.65	282	242.35 (+)
National Scheme for Incentive to girls for secondary education	MHRD	112	45	320	275 (+)
Umbrella scheme for education of ST children	Ministry of Tribal Affairs	1,260.17	1,659.84	1,635.07	24.77 (-)
Pre-matric scholarship for minorities	Ministry of Minority Affairs	1,040.00	931	950	19 (+)
Post-matric scholarship for minorities	Ministry of Minority Affairs	580.1	550	550	0
Merit-cum-means scholarship for minorities	Ministry of Minority Affairs	335	395	393.54	1.46 (-)
Development of minorities: education scheme for madrasas/minorities	MHRD	335.50	120	120	0
Post-matric scholarship for OBCs	Ministry of social justice and empowerment	79.64	88.5	88.5	0
Pre-matric scholarship for SCs	Ministry of social justice and empowerment	479.99	459	45	414 (-)

BE = Budget Estimates; MHRD = Ministry of Human Resource development; OBC = Other Backward Classes; RE = revised estimates; SC = Scheduled Caste; ST = Scheduled Tribe.

Source: Centre for Budget and Governance Accountability (CBGA), Delhi.

Figure 2: Budgetary Allocation for Integrated Child Protection Scheme (2013-14 to 2017-18)



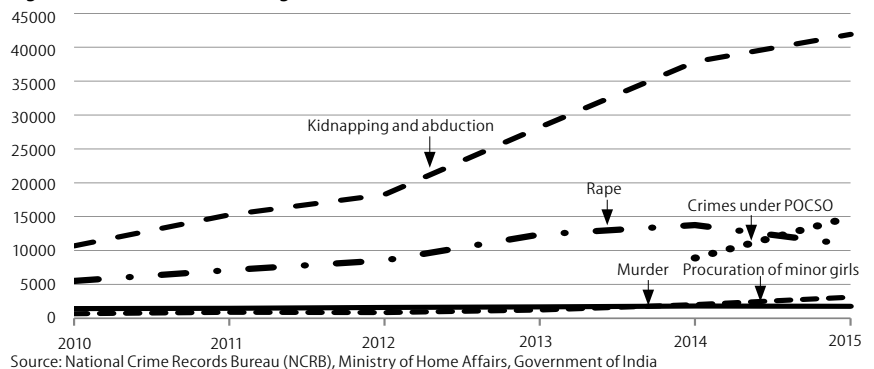
the targets were progressive and ambitious, the scheme has not been able to penetrate deeply at the state and district level and the progress has been sluggish due to under-allocation as well as under-utilisation of allocated budgets. India is still far from the targets of the RMSA, with only 33 of every 100 children enrolled managing to pass Class 12 age-appropriately.⁵ The allocation of ₹3,830 crore in budget 2017-18 to improve transition rates from Classes 8 to 9 seems meagre. Unless we invest adequately in secondary education and make efforts to universalise it, a few years from now, we will have a young labour force numbering 236 million, but not necessarily one that is educated and skilled.

It is also interesting to see that affordability-linked incentives were not prioritised in Union Budget 2017-18, in which only two schemes of affordability-linked incentives saw substantial increase—the National Means-cum-Merit Scholarship Scheme for economically weak children (from ₹39 crore to ₹282 crore), and the National Scheme of Incentives to Girls for Secondary Education (success) (from ₹45 crore to ₹320 crore, Table 3). While in this budget, the government has clearly stated its focus on development of marginalised communities, the Ministry of Social Justice and Empowerment’s allocations for Scheduled Caste (sc) and Other Backward Class (obc) children are disheartening. The budget allocated for pre- and post-matric fellowships and hostels has decreased. The pre-matric scholarship for sc children has been slashed from ₹459 crore to ₹45 crore. Also, the allocation by the Ministry of Tribal Affairs for an umbrella scheme for

the education of Scheduled Tribe (st) children has been reduced (₹24 crore).

India’s present budgetary spending on education is inadequate not just because it falls short of the benchmark recommended decades ago by the Kothari Commission, but also because of the paucity of funds for almost all important areas of public provisioning in school education, be it availability of teachers and their training, monitoring of schools, interventions for children from marginalised sections, or for strengthening community engagement with schools. The paucity of funds is glaring in most of the poorer states. Inadequate school infrastructure, teacher vacancies and shortage of subject teachers (for upper primary) continue in specific states.

Figure 3: Rise in Cases of Crime Against Children (2010-15)



Also, a majority of out-of-school children are from disadvantaged groups—sc, st, Muslims, migrants, children with special needs, urban deprived children, working children, and children in other difficult circumstances. An increase of ₹1,000 crore in SSA, ₹300 crore in MDM and ₹130 crore in RMSA (Table 3) will not be adequate to plug the quantitative and qualitative gaps in school education.

Investment in Child Protection

Child protection, including prevention of exploitation and violence against children, has a small percentage of the overall budget. Child protection has seen an overall increase from 1.21% to 1.49% of the child budget. The Integrated Child

Protection Scheme (icps) is one of the largest schemes, with rescue and prevention built into it through implementation of various child protection legislations. The increase in the icps budget has come after years of stagnation of the scheme at approximately ₹400 crore. In the RE for 2016-17, ₹597 crore was reflected, whereas only ₹397 crore was allocated for the scheme in the previous year (Figure 2). Against this, the increase in icps allocations to ₹648 crore is, in effect, an increase of only ₹50 crore as compared to the proclaimed increase of ₹250 crore.

Recently introduced or revised policies and legislations on child protection, such as the Juvenile Justice (Care and Protection of Children) Act, 2015, Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2016 and National Plan of Action for Children, 2016 need to be backed by a financial memorandum in order to realise their stated vision and objectives. They also face challenges of

adequacy of human resources, trained personnel on the ground, and convergence across various government ministries and departments, particularly for the execution of the Prevention of Children from Sexual Offences (pocso) Act 2012, the Prohibition of Child Marriage Act, 2006 and the Child Labour (Prohibition and Regulation) Amendment Act, 2016.

Crimes against children have increased nearly four times in the last 10 years, and major crimes have increased sharply over the last five years⁶ (Figure 3). Kidnapping and abduction of children, rape, crimes under pocso and child trafficking are substantial and account for 81% of the crimes committed against children. The total number of cases

recorded under these heads is also rising sharply, indicating that special attention is needed to combat these crimes. Without adequate investment in prevention, the rising trend of crimes against children is unlikely to be reversed.

Conclusions

For the last 15 years, allocation to the child budget has been around 3% of the union budget, but as we have seen, this is insufficient. As long as our

children are seen only as the future of our country and not our present, little will change for Neha Birhor and other children in this remote corner of Jharkhand. The quality of food and other services will continue to be poor, and the anganwadi worker will keep struggling to make the best of the meagre resources available.

A more thoughtful budget could make a substantial difference to the quality of these children's lives.

NOTES

- 1 Census of India 2001: *Population Projections for India and States 2001–26*.
- 2 CRY analysis of union budget based on official budget documents.
- 3 According to government records updated until March 2015 (<http://icds-wcd.nic.in/icds/Qpr-0314forwebsite23092014/currentstatus.htm>).
- 4 Parliamentary Standing Committee (PSC) Report No 282, December 2016.
- 5 U-DISE (Unified District Information System for Education): School Education in India (2015–16).
- 6 National Crime Records Bureau (NCRB), Ministry of Home Affairs, Government of India.